

telenor

Telecom retail marketing trends & strategies

Irfan Wahab Khan  
Chief Marketing Officer



# Telenor in Pakistan



- Telenor is among top 10 Global Telcos -operates in 13 markets serving 166 M customers.
- Foreign Direct Investment: Over US \$2.3 Billion in Pak.
- 7,700 cell sites covering 75% of population
- Easypaisa is Third largest Mobile Money Service in the World (moving 1% of Country GDP)



Launched in  
**2005**,  
Telenor Pakistan  
is in 8th year of  
its operations.



Mobile Subscribers  
Base is **35 Million**  
**Second largest**  
in the Country.



Total Employees  
**2,878**

# Telecom Retail Landscape

## Retail Footprint (280 K)

Company  
Owned  
Centers

15 – 20 per  
operator in metro

Franchised  
outlets

300 – 450 per  
operator

Retailers

*Selling all operators' products*

Sells GSM and financial services products and provide customer services

Company Owned  
Centers

Franchised outlets

Retailers



# Telecom retail products in Pakistan



## Internet & Devices

- 110 million active mobile device users
- 31 million internet users – 15 million browse through mobile devices
- 12 million Facebook users
- Sell devices, dongles, data bundles



## Financial Services

- 190 million population
- Only 12% have access to formal financial services
- 35% using informal channels
- OTC Money Transfer, Bill payments, mobile accounts, insurance, savings






## GSM

- 140 million sims using traditional voice, sms and Value Added Services.
- Products include voice, SMS and value added services.

**New and complex products require education and trial generation**



# Retail Channel Comparison

	Customer Education	New Products upsell	Enhanced reach	Complex services
 Owned Centers	✓	✓	✗	✓
<i>Limited reach, one stop solution.</i>				
 Franchised Centers	✗	✗	✓	✓
<i>Low focus on customer education and Upsell, provide basic services</i>				
 Retailers	✗	✗	✓	✗
<i>Sell Sims, recharge and FS products</i>				

Gap exists for a new channel to focus on specific products demand , customer education, trial generation & complex customer services needs

# Telenor Express Shop- a partnering opportunity

“Express shops will create demand for specific products among existing & potential customers and fulfill complex customer services’ needs in surgically targeted areas ”



- Profitable smart shop (approx. 150 sq feet or less)
- Placed in dense areas, where the number of Telenor and potential subscribers is high.
- Enhanced reach with urban, sub-urban and rural shop mix
- Focus on specific products demand, customer education & trial generation
- Fulfill complex customer service’s needs.
- Support retail network in surrounding areas on cash management (physical and electronic)

Telenor would like to venture with a partner who will set up and operate these shops, across Pakistan. Third party will to earn competitive return.

# Future Trends



## 3/4 G

- Broadband/Smart phones penetration
- Growing demand for content rich applications and services
- Enterprise mobility
- Work force tools, cloud based solutions

## Financial Services

- Enhancing FS portfolio (Mobile accounts, saving and insurance products etc.)
- **Mobile Payment eco system**

We all recognize the value of strong distribution in the physical, offline world of Telecom- Will it be less important in a digital world?

# Future Distribution and Retail Models

## Digital Distribution



- **Easypay:** Online retail payments (**Payment gateway**)
- Digital storefronts, Virtual market place
- eCOMMERCE Sales are going mobile
- How Google used it's distribution power from other services to gain market share for Chrome

## Experience Zones



- **Create brand experience** by creating interactive displays in large public buildings/Malls

## Modern Trade



- **Category management:** In targeted retail outlets
- Customized payouts and branding to promote specific products or categories



# PAKISTANI ONLINE YOUTH

“ ”

80% of online users  
spend more than 1  
hour each day

2/3RD of Facebook users are under the  
age 25. Half of them come from the 10%  
richest of the country

## 3-4 Hours

Average time spent  
by youth on Internet  
EACH DAY

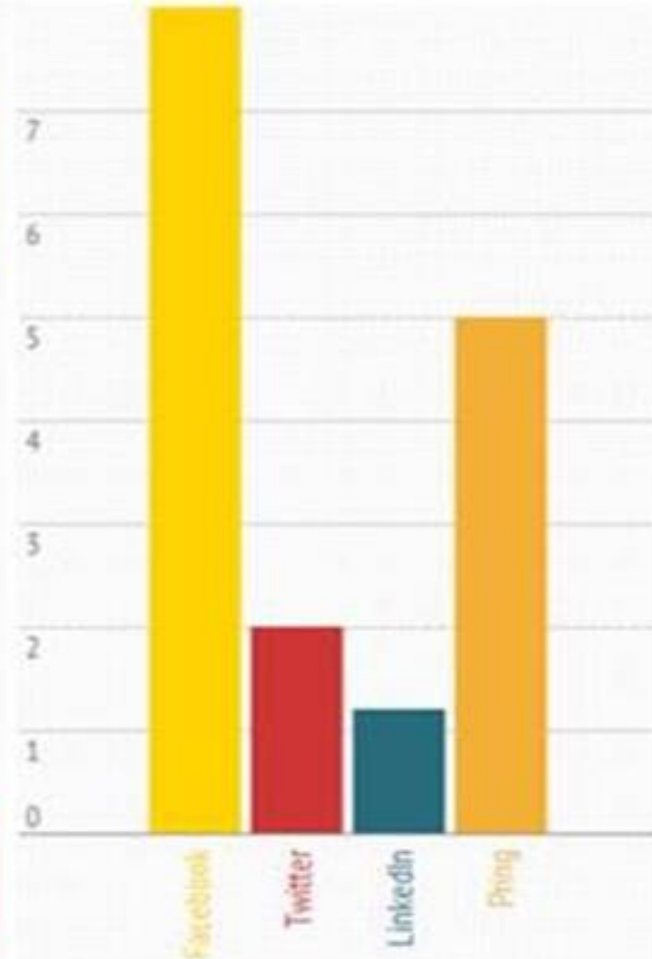
10% Smartphone penetration

## 30M

Number of  
overall  
internet  
users in  
Pakistan

## 15M

Those who  
access  
internet  
via Mobile



## PKR 600m

eCommerce Transactions  
Volume Per Year

## Products recently bought online



Insurance



Travel



Movies/  
event tickets



Mobile phones/  
plans



Luxury  
goods

Base: Those who shop online at least once a year or more frequently (362)

**36%**

shop online at least  
once a year

**14%**

shop once  
a month

The average online  
shopper spends PKR  
23,250 per year\*

\* weighted average

D2. Which of following products / services have you bought in last 2 months? Did you buy these online or offline?  
D10. How frequently you shop on the Internet?  
D11. How much do you think is your average annual value of online shopping?  
D13. Why have you not purchased any of the products online?

## Products they consider buying in the future



Travel



Apparel



Computers/  
tablets



Mobile  
phones/  
plans



Beauty



Portable  
electronics

Base: All Respondents (1004)

# Key take a ways

- With growing complexity and broadening product range, telcos require new focus and capabilities in retail
- RETAIL IS GOING ONLINE FAST – and Pakistani market will follow the trend
- Fast smartphone penetration and development of payment eco system will play pivotal role in digital distribution in Pakistan.